

VZCZCXRO6282
PP RUEHAG RUEHAST RUEHBI RUEHCI RUEHDF RUEHIK RUEHLH RUEHLN RUEHLZ
RUEHNEH RUEHPW RUEHROV RUEHSR RUEHVK RUEHYG
DE RUEHAH #1506/01 3260509
ZNR UUUUU ZZH
P 210509Z NOV 08
FM AMEMBASSY ASHGABAT
TO RUEHC/SECSTATE WASHDC PRIORITY 1887
INFO RUCNCLS/ALL SOUTH AND CENTRAL ASIA COLLECTIVE
RUCNCIS/CIS COLLECTIVE
RUCNMEM/EU MEMBER STATES COLLECTIVE
RUEHAK/AMEMBASSY ANKARA 4515
RUEHBJ/AMEMBASSY BEIJING 2327
RUEHKO/AMEMBASSY TOKYO 2192
RUEHIT/AMCONSUL ISTANBUL 2763
RHEHNSC/NSC WASHDC
RHMFIUU/CDR USCENCOM MACDILL AFB FL
RUEAIIA/CIA WASHDC
RHEFDIA/DIA WASHDC
RUEKJCS/JOINT STAFF WASHDC
RUEKJCS/SECDEF WASHINGTON DC
RUEHVEN/USMISSION USOSCE 3081

UNCLAS SECTION 01 OF 02 ASHGABAT 001506

SIPDIS

STATE FOR SCA/CEN, EEB

E.O. 12958: N/A

TAGS: [PGOV](#) [EAGR](#) [ETRD](#) [SOCI](#) [TX](#)

SUBJECT: TURKMENISTAN: ROTTEN IMPORTED INDIAN EGGS CAUSE A
STINK

REF: ASHGABAT 0026

11. (U) Sensitive but unclassified. Not for public Internet.

12. (SBU) SUMMARY: Turkmenistan has imported eggs from India since spring 2008 because it cannot satisfy the consumer appetite for eggs from domestic sources. However, Turkmenistan does not properly store the eggs, and they consequently spoil before the expiration date. Nevertheless, the Ministry of Trade and Foreign Economic Relations, whose main task is importing food to satisfy the needs of the market, is prohibiting private sellers from selling their eggs on the open market, ostensibly because the private vendors do not have the proper health and sanitation documentation. In reality, according to sources, the Ministry wants to sell off its supply of rotten Indian eggs. Some provincial egg producers have been selling their eggs outside of bazaars, at the risk of harassment. This is not the first time that the government has prevented private parties from selling because the government needed to get rid of product. Some locals also criticize the Ministry of Trade and Foreign Economic Relations, which also rents space in government buildings to private commercial entities, for alleged corruption, and say that the Ministry should be dissolved as "it doesn't do anything for people." Turkmenistan's insistence on selling rotten eggs hurts everyone, including consumers and private producers. END SUMMARY.

OFFICIAL MINISTRY TRADERS TELL PEOPLE THAT THE EGGS ARE BAD

13. (SBU) Since spring 2008, the Ministry of Trade and Foreign Economic Relations has imported all eggs sold in Ashgabat bazaars due to a lack of capacity to satisfy the consumer appetite for eggs from domestic sources. Official traders sell these eggs, imported from India, at a cost of 15,000 manat per ten eggs. However, these traders tell customers that the eggs are not good and generally discourage people from buying them. The expiration date of the eggs is officially two months away, but because the eggs are not properly stored, they rot earlier than they should. The Ministry will not place a new order from India because prices have risen, making them unaffordable for Turkmenistan's market.

SOME PROVINCIAL PRODUCERS RISK SELLING OUTSIDE OF BAZAARS

14. (SBU) The Ministry of Trade and Foreign Economic Relations refuses to allow sales of eggs from private farms at Ashgabat food bazaars, ostensibly because local producers lack health and sanitary certificates and licenses, but sometimes vendors will sell local eggs secretly from under the table. One local recently noticed shuttle traders from Mary province who sold eggs outside of Ashgabat's Dashoguz Bazaar -- at the risk of being kicked out by the police or having to pay a bribe -- for 25,000 manat per ten eggs. Meanwhile, econoff noticed on November 14 that vendors are selling eggs at bazaars in Mary for 16,000 manat (\$1.13) per ten eggs. These eggs sold in Mary can only be privately and locally produced because imported eggs are sold only in Ashgabat. (NOTE: There is also no imported milk available in Mary. END NOTE.) One Ashgabat resident believes that if private vendors from all over Turkmenistan were allowed to sell eggs at Ashgabat bazaars, competition would lower the price to 20,000 manat for ten eggs.

OBTAINING HEALTH CERTIFICATES IS COMPLICATED -- AND COSTLY -- PROCESS

15. (SBU) Obtaining the health and sanitary certificates is a complicated bureaucratic process that requires bribes, so many private producers prefer to risk selling these goods without the certificates. However, this prohibition on selling private eggs is unofficial -- and the real issue is that Turkmenistan habitually prohibits privately-produced

ASHGABAT 00001506 002 OF 002

poultry when it suits government needs to sell the product it purchased (reftel). For example, traders sold Altyn Hilal chicken meat literally from under the counter at Ashgabat bazaars after a major import of U.S. chicken in January 2008, but today Altyn Hilal chicken is sold openly at all markets.

MINISTRY OF TRADE AND FOREIGN ECONOMIC RELATIONS IS HOTBED OF CORRUPTION

16. (SBU) This same local explained that because most food is now privately produced and state stores are empty, the Ministry of Trade and Foreign Economic Relations leases commercial space in bazaars and other government food shops to private restaurant vendors. This source explained that this presents Ministry officials with many rent-seeking opportunities. Because the Ministry "doesn't help people," it should be dissolved.

NEW PRIVATE CHICKEN FARM AIMS TO SATISFY THE LOCAL MARKET

17. (SBU) The owner of a large poultry complex located in Archabil, a country village outside of Ashgabat received a 70 billion manat loan (or \$4,912,280, at a five percent interest rate and with a two-year grace period) through a presidential decree for construction of a complex, which will have the capacity to produce 3,000 tons of chicken meat per year. (NOTE: The owner of this farm is also one of the sons of the head of the Union of Industrialists and Entrepreneurs. Both father and son are named Aleksandr Dadayev. END NOTE.) This complex has begun to supply whole chickens to the market for 40,000 manat per kilogram and plans to produce eggs in the future. (NOTE: Chicken legs in the market typically cost 37,000 manats per kilogram. END NOTE.) Another small private egg producer with two farms in Geokdepe outside of Ashgabat is supplying eggs via commercial shops and street vendors for 25,000-30,000 manats per ten eggs, but does not have the capacity to fulfill the needs of the entire Ashgabat market. The owner of this farm is former governor of Ahal province Juma Amansahatov.

18. (SBU) COMMENT: Although the government is attempting to restrict sales of privately-produced eggs because of health and welfare issues, Turkmenistan's insistence on selling

rotten eggs hurts everyone, including consumers who are
risking their health, and private producers who needlessly
complicate their lives to sell their goods. The restrictions
on selling privately-produced eggs will probably loosen once
the Indian eggs sell out, much as what happened after the
imported chicken was sold. END COMMENT.
MILES